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INFO RUEHTA/AMEMBASSY ASTANA IMMEDIATE 0001
RUEHKV/AMEMBASSY KYIV IMMEDIATE 0029
RUEHSK/AMEMBASSY MINSK IMMEDIATE 3444
RUEHMO/AMEMBASSY MOSCOW IMMEDIATE 2571
RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY
RHEBAAA/DEPT OF ENERGY WASHINGTON DC PRIORITY
RUCPDO/DEPT OF COMMERCE WASHINGTON DC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 WARSAW 000234

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DEPT FOR EUR, EUR/NCE, EUR/RUS, EUR/ERA, EB/ESC, S/P
EUR FOR MPEKALA AND MBRYZA
EUR/NCE FOR DKOSTELANCIK AND BPUTNEY
EUR/RUS FOR SGUHA
EUR/ERA FOR DLIPPIATT, LCATIPON
EB/ESC FOR SGALLOGLY, JLEWANDOWSKI, RGARVERICK
S/P FOR SHELLMAN AND GMANUEL
ENERGY FOR LEKIMOFF
COMMERCE FOR 4232/ITA/MAC/EUR/OECA/JBURGESS, JKIMBALL,
MROGERS
TREASURY FOR MGAERTNER

E.O. 12958: DECL: 01/11/2017

TAGS: [EPET](#) [ENRG](#) [ECON](#) [PREL](#) [PO](#) [RS](#) [UP](#) [KZ](#) [AG](#) [GM](#)

SUBJECT: POLAND: ENERGY UPDATE

REF: WARSAW 88

Classified By: Econ Counselor Richard Rorvig, reasons 1.4 b and d

[1](#)1. (U) This is an action cable, see paras 5, 7, 8

[1](#)2. (C) Summary. The GOP continues to pursue the purchase of Transpetrol assets from Yukos International. The GOP remains concerned that the government of Slovakia will not support a GOP purchase. The GOP started negotiating a contract for LNG purchases from Algeria, but is worried that Russian or German companies may box them out. Deputy Minister of Economy Naimski will visit Kazakhstan in February and President Kaczynski in March to discuss energy cooperation. The GOP may cooperate on energy projects with Hungary's MOL. News reports that ChevronTexaco may cooperate with Gazprom sparked the GOP's interest. End Summary.

Pern will try to buy Transpetrol

[1](#)3. (C) Marcin Jastrzebski, PERN (Poland's oil pipeline operator) board member, told Econoff that he will meet with David Godfrey of Yukos International on February 1 or 2 to attempt to negotiate a deal to purchase the Transpetrol assets from Yukos International. Jastrzebski believes he will be able to negotiate a deal with Transpetrol. He remains concerned that the government of Slovakia will not support a purchase by a third party. When EconOff discussed Minister of Economy Jahnatek's opposition to a deal with Poland, Jastrebski replied that he believes that Jahnatek's support for a deal with Russia and recent press statements supporting Russia in its recent oil spat with Belarus will provide PM Fico with a reason to fire Jahnatek and approve a Polish purchase from Yukos International.

[1](#)4. (C) Subsequently, Krzysztof Rogala, formerly of the Ministry of Economy Office of Energy Diversification, now of state-owned Gaz System but still working for Deputy Minister

Naimski, told EconOff that PM Kaczynski spoke to PM Fico about the proposed Transpetrol purchase last October. EconOff recommended that circumstances have changed since October and that another discussion might be helpful to the GOP's strategy. Rogala stated that on February 12, the Krynica Economic Forum, (an ngo that hosts an annual Davos-style regional Economic Forum) is hosting a conference on Energy Policy for Europe. It has invited EU DG for Energy Piebalgs, Polish Minister of Economy Wozniak, and Slovak Minister of Economy Jahnatek. If Jahnatek attends, the GOP wilus the opportunity to speak to him about the transaction.

Gas From Algeria

15. (C) Rogala also confirmed that the GOP recently began negotiations with the government of Algeria to purchase LNG. The GOP is greatful to Secretary of Energy Bodman for discussing Poland's interest in purchasing gas with the government of Algeria, as requested by Deputy Minister of Economy Naimski in late November. Algeria is Poland's best option for LNG as it is relatively close, has LNG experience, and is a reliable supplier. Poland, however, is concerned that either Germany or Russia, or a combination of both, will negotiate a contract with Algeria that will preclude sales to Poland. Rogala asked if the USG could provide information to the GOP on any potential Algerian contracts with Russia or Germany (which the GOP believes may front for Russian concerns).

WARSAW 00000234 002 OF 002

Kazakhstan Still of Interest

16. (C) The GOP remains interested in energy cooperation with Kazakhstan. Deputy Minister of Economy Naimksi will visit Kazakhstan in February. President Kaczynski will visit in March. During the President's visit the GOP hopes that President Nazarbayev will accept an invitation to Warsaw for an energy "summit" with the presidents of Azarbaijan, Georgia, and Ukraine aimed at promoting the Odessa-Brody-Plock pipeline project and further energy cooperation between the countries.

Hungary - Who Really Owns MOL?

17. (C) Responding to EconOffs statement that the recent oil cut-off caused the government of Hungary to begin to re-evaluate its dependence on Russian energy supplies, Rogala stated that Hungary's gas network was already lost to Russia, but that oil is another matter. A former advisor to former PM Orban whom the GOP respects is now working in MOL. The GOP might be interested in cooperating with MOL, but is concerned about its actual ownership. Rogala noted that 57% of investment in MOL is by funds and investment firms listed in the U.S. He asked if the U.S. could provide information on who the actual owners of MOL are. Jastrzebski emphasized that GOP cooperation with MOL will only be technically possible if PERN is able to purchase Transpetrol. Other options are feasible but much more expensive.

ChevronTexaco-Gazprom?

18. (C) Rogala also enquired whether EconOff or the USG had information that would confirm or deny press reports that ChevronTexaco is considering cooperation or a partnership with Gazprom. (Note and Comment: While grudgingly admitting that Odessa-Brody-Plock is "dead" in our last conversation

(ref), Rogala continues to look for oil volumes to re-reverse the pipeline. ChevronTexaco is his favorite source. Any potential collaboration between ChevronTexaco and Gazprom would raise suspicions about ChevronTexaco in the GOP's eyes. End Note and Comment.)

19. (C) Comment: Rogala, and to a lesser extent, Jastrzebski are typical GOP interlocutors, portraying all Russian companies as evil and suspecting the motives of German companies. This Russophobia and Germanophobia informs every energy security decision the GOP and its state-owned entities make. To assist the GOP in its decision-making process, and to encourage GOP cooperation with its neighbors, post would appreciate information that can be provided to the GOP on potential Algerian gas contracts with Russia and Germany, the ownership of Hungarian-based MOL and the actual state of play between ChevronTexaco and Gazprom.
HILLAS